

Town Meeting

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BULLETIN OF AMERICA'S TOWN MEETING OF THE AIR

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How Can We Legislate for General Welfare Without Curbing Personal Liberty?

Moderator, **GEORGE V. DENNY, Jr.**

Speakers

ROBERT A. TAFT

OSCAR L. CHAPMAN

HENRY HAZLITT

JOHN W. McCORMACK

(See also page 13)

COMING

— March 29, 1949 —

What Does Democracy Really Mean?

Eighth Annual Junior Town Meeting

Sponsored by Our Times and Town Hall

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THE BROADCAST OF MARCH 29:

"What Does Democracy Really Mean?"



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GEORGE V. DENNY, JR., MODERATOR



MARCH 22, 1949

VOL. 14, No. 47

How Can We Legislate for General Welfare Without Curbing Personal Liberty?

Moderator Denny:

Good evening, neighbors. First, I want to thank you for your magnificent response to our appeal last week for your dollars for democracy to send your Town Meeting around the world.

As most of you know, your Town Meeting is supported largely by local sponsors on this great ABC network of 260 stations. But to take Town Meeting 25,000 miles around the world requires additional help. So, as we want to go in your name, we're asking each of you to send \$1.00 or more so that we may bring you this summer 14 important Town Meetings from 14 different world capitals. I'll tell you more about this a little later.

Tonight we're in the capital of the United States of America where we're the guests of the U. S. Conference of Mayors to discuss a very fundamental question about our American way of life. The theme of the Mayors Conference this year is, "Do We Really Have

Government Of, For, and By the People?"

Our topic tonight was suggested by Frederick Stevens of Ithaca, New York, and is closely related to, and grows out of, the Preamble of the Constitution of the United States, which states: "We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution."

Is public welfare legislation conflicting with our personal liberty? When your Town Meeting was founded in 1935, the present Social Security program was being hotly debated. Some held that this legislation conflicted with personal liberty, while others held that it increased personal liberty by improving the economic well-being of special groups in our society.

This debate is still going on. President Truman is the vigorous spokesman for the extension of the Administration social welfare program which includes, among other things, the extension of Social Security, TVA, a nation-wide program of health insurance, government-sponsored low-cost housing, and stand-by price controls.

To lead us in our discussion of the subject, "How Can We Legislate for General Welfare Without Curbing Personal Liberty?" we have invited the Under Secretary of the Interior, Oscar Chapman, and the veteran Majority Leader of the House of Representatives, Congressman John McCormack of Massachusetts, to present the Administration's viewpoint.

On the other side, we have the distinguished Senator from Ohio, Chairman of the Republican Policy Committee in the Senate and member of the Senate Labor and Public Welfare Committee.

It's very difficult for the son of a President of the United States to attain distinction in politics. But Senator Taft, on the strength of his ability and capacity for leadership, won the confidence and respect of his Senate colleagues during his first term, and is now chairman of the important Policy Committee of the Republicans in the Senate. He is, of course, coauthor of the Taft-Hartley Law, and has introduced other social legislation, including the much discussed Taft-Ellender-Wagner Public Housing Bill, a federal aid to education bill,

and a health bill. I give you now our first speaker, Senator Robert A. Taft of Ohio. Senator Taft.

Senator Taft:

Mr. Chairman, ladies and gentlemen. Since all legislation is presumably for the general welfare I assume we are discussing social welfare measures such as those dealing with education, old-age pensions, unemployment compensation, health, housing, and relief and how far these services shall be rendered by the Federal Government.

There's nothing new in the principle of welfare services from local and state government to those who cannot afford to purchase such services themselves. We recognize universally, in all communities, the obligation to furnish relief in the form of food and clothing, free medical service, unemployment compensation. Old-age assistance and insurance are almost universal.

In education we have gone further and provide free education for all children, rich and poor. All this curbs to some extent the personal liberty of those who receive the aid in the form fixed by the Government.

This principle is obvious when they are obligated to live in poor houses or even in county homes under strict government direction. It is equally true in other services when they are required to comply with all kinds of government regulations to get free service.

We see in the schools that Catholics feel strongly that sending their children to public school is a curb on their freedom. They feel it so strongly that they operate parochial schools at great expense even though they have also to pay taxes for the public schools they do not use.

I believe we should extend our services like relief, medical care, and housing, more systematically than we do, to all those unable to pay for a decent minimum of the necessities of life. The curb on freedom involved is not a serious menace if so limited.

Most of the initiative and ability which respond to the incentive of liberty are among those who have made their own way successfully and do not require government aid.

I have, therefore, sponsored bills to extend federal aid to the states to enable them to do a more complete job of providing free health services, cheap housing, and relief to our low-income families.

But if all these services are to be socialized and given away to the entire population, we would indeed have a welfare state where little progress or liberty would remain. Extensions of our social welfare program, therefore, in order to preserve liberty, should be subject to the following conditions:

1. They must be administered by the states and local communities and paid for by them to the extent of their available revenues. Federal aid should be given only on

the theory that state and local tax revenues are limited compared to those available to the central government, and should be much more liberal to the poorer states than to wealthier states.

In my opinion, welfare services such as proposed in President Truman's so-called National Health Insurance, directed by a Washington bureau with five billion dollars of federal money to spend, would necessarily be arbitrary, tyrannical, and bureaucratic.

Personal liberty in this country, in my opinion, is dependent on the liberty of the state and local communities, on the liberty of the local community to run its own affairs in any field where it has sufficient power.

2. The program should not undertake to provide food, clothing, housing, or medical care for those who are able to pay for it. The cost of such a program would be many times the cost of the program I suggest, and the great bulk of the population would have to pay taxes for these services out of their hard-earned income, probably out of a pay-roll tax.

As the English economist, Miss Barbara Ward, who is strong for welfare services, said in Sunday's *New York Times Magazine*, "The belief persists that the benefits of the welfare state are free and that, therefore, one cannot have too much of them."

3. The services furnished cannot be much more than a minimum floor, because of the tremendous

expense involved, and the burden on the freedom of the rest of the population who have to pay the taxes out of their hard-earned incomes.

In Great Britain, even the government supporters fear today that they may overdo the program to such an extent that national income will decrease and the productivity of workers will decrease. Obviously, this would destroy the very productive results from which the taxes themselves must come to support social welfare services.

I would answer our question, therefore, by saying that we can not legislate for general welfare without curbing personal liberty, but that the curb is not serious in a country as productive as the United States if (1) we keep the administration at the local level; (2) if we extend the services only to those unable to pay for them; and (3) if the services are not unreasonably expensive.

Moderator Denny:

Thank you, Senator Taft. Our next speaker is a very brave man. He tells me that he hasn't finished hearing from the results of his speaking on Town Meeting more than a year and a half ago out in New Mexico when he spoke on the Indian question. Now he's taking on another controversial subject. But we are very glad to welcome back to Town Meeting one of the ablest spokesmen of President Truman's official family, the Under

Secretary of the Interior, the Honorable Oscar Chapman. Mr. Chapman. (Applause.)

Mr. Chapman:

Before we can discuss the question "How Can We Legislate for General Welfare Without Curbing Personal Liberties?" we must define what we mean by personal liberty—what and whose personal liberties.

There are, first, those basic liberties guaranteed by the Constitution. These are obviously not the personal liberties we are talking about, for they cannot be curbed by legislation of any kind.

Then there are the economic and social liberties. Essentially, these include the liberty to work at the calling of one's choice, the liberty to advance and improve oneself through education, the liberty of association, and above all, liberty from oppression, want, and fear. These are the personal liberties we are talking about tonight.

How many of these liberties do we, the majority of the people, actually enjoy? Many of us do not have the freedom of working at our chosen callings, for many of us have tried to establish small business enterprises and have been squeezed out by monopolistic interests.

Many of us lack the opportunity for education because of economic circumstances. Even in this period of prosperity many of our people are still in want and live in fear of the future.

These frustrations, wants, and fears have led men of other nations to sacrifice their personal liberties for hollow promises of economic security.

I think, Senator Taft, that our fundamental job here is to determine how can we legislate for the general welfare so as to secure personal liberty?

Philosophers since Plato have debated the issue of personal liberty versus group protection. When man lived unto himself alone, the issue may have been real, but man long since has become a social being. As a member of society, he has acquired great benefits that he alone could never have achieved. He has also acquired corresponding responsibilities.

In these circumstances, general welfare and personal liberty are no longer alternatives, but one and the same. We cannot have individual liberty today without protection of the general welfare; and conversely, the protection of the general welfare adds to the sum total of our personal liberties.

This is not a new or revolutionary concept. It was well recognized by our founding fathers when our Constitution was written. It is a tenet, therefore, of our democracy that general welfare and personal liberty are not conflicting but, instead, equally essential aims.

The complexity of modern society and the growing dependency of the individual upon society have

necessarily increased the need to promote the general welfare and to secure the blessings of liberty.

During the last 16 years, the Federal Government has attempted to meet that need. Through the Wagner Labor Act, the Fair Labor Standards Act, we have attempted to secure the worker against the exploitations of employers, and through the Social Security Act, we have attempted to secure our people against temporary unemployment and insecurity in old age.

Through housing legislation, we have attempted to provide low-income families with decent housing. And through numerous other measures we have attempted to assure for the majority of the people a fair share in the economic output and wealth of this nation.

Today the general welfare legislation most urgently needed is legislation to assure economic stability and security. I assert that we can legislate for economic stability and security without curbing the liberties of the majority by, first, acting to prevent depression before, rather than after, it is upon us, thereby enhancing directly the personal liberty of the majority.

The President's economic program proposes legislation to protect against "bust and boom" or "boom and bust" and to sustain a growing and balanced economy by showing maximum employment and production. It is both an anti-depression and anti-inflation program.

The small minority, whose personal liberties would be curbed by this program, cry socialism, interference with free enterprise and personal liberty. This kind of opposition has aptly been described as the "tyranny of labels." I submit, however, that these so-called liberties must be curbed in the interest of the general welfare and that this is essential to the preservation of our democracy. (Applause.)

Moderator Denny:

Thank you, Secretary Chapman. Our next speaker hails from Philadelphia but has spent most of his life in New York City. At one time or another he has held editorial posts on New York's leading newspapers, including the *New York Times*, the old *Herald*, the *Wall Street Journal*, the *New York Sun* and the *New York Evening Post*. He is now financial columnist for the magazine, *Newsweek*, author of many books, including *Economics In One Lesson*. Mr. Henry Hazlitt. Mr. Hazlitt. (Applause.)

Mr. Hazlitt:

A few weeks ago, Justice Douglas of the Supreme Court demanded the creation of a human welfare state. He went on to call this the "great political invention of the Twentieth Century."

I wonder whether Mr. Douglas knows its real origin. It was born and brought up in Germany. In 1881, Bismarck, in introducing his first social security bill, declared that the task of government, "Is to

further, positively, by means of government funds, the welfare of all its citizens."

There soon sprang up among the German socialists the concept of the Wohlfahrtstadt — the Welfare State. Now the British socialists are beginning to call their brand of collectivism the Welfare State, because welfare is a more popular word than socialism.

In its very conception, such a state is paternalistic. It treats its citizens as wards, incapable of managing their own affairs. It rejects the principle of individual responsibility which has made this Nation the richest and most powerful in the world. It does not rely on voluntary insurance. It insists on imposing compulsory plans. It cannot wait on retail reform by persuasion. It demands wholesale reform by force.

It thinks it has found a short cut to Utopia. It has found, in fact, a short cut to statism, to totalitarianism, to the suppression of liberty, and to national poverty.

Does this mean that we can legislate for general welfare? Of course, not!

The real question concerns the means that are most likely to secure this end. One of them is to create the largest measure of freedom for the individual. Freedom does not only mean freedom of speech and thought and worship. It means economic freedom.

Without economic liberty, in fact, as the peoples of Russia have learned, men soon cease to enjoy

any other kind of liberty. Economic liberty must exist, of course, within the framework of law and order. It requires, among other things, the protection of the right of private ownership.

Freedom in private ownership means the free market. This means freedom of choice for consumers, for producers, and for workers.

The real way to promote the general welfare, in short, is through the protection and the purification of the free, private, competitive enterprise system. Under this system, our country is today supporting 27 times as many people as in 1800, at a standard of living about ten times as high as in the Nineteenth Century. We ought to think twice before destroying this system in order to imitate some European Welfare State. (*Applause.*)

The Welfare State usually begins in a depression with a persuasive plea that "we must keep people from starving." In a short time, however, this leads to a demand that everyone, regardless of what he earns or contributes, must be furnished with a basic means of subsistence.

But the concept of what constitutes need and of how many families are needy keeps indefinitely expanding upwards. More and more economic groups, more and more families are made to feel that their economic welfare depends directly upon the decisions of some governmental bureaucrat.

This leads to a forty-four bil-

lion dollar federal budget in peace-time and to record-breaking state budgets. The productive elements in the Nation are asked to bear increasingly burdensome taxes to support the unproductive. A dangerous burden is placed upon pay rolls.

The eventual burden of the existing railroad social security program, for example, will amount to more than twenty per cent of pay rolls. The result is that productive rewards and incentives decline. Production shrinks.

The funds to support these spending schemes, moreover, are primarily the funds that would otherwise have gone into capital investment. In other words, they are the most vital funds of all—the funds that increase the production of the country, the funds that furnish the tools and equipment that increase the productivity and the real wages of the workers.

The irony is that though these welfare programs can be paid for only out of high production, it is the welfare programs themselves that threaten, as they grow bigger, to undermine and destroy the very production on which they depend. In sum, the nation that puts this concept of economic security before liberty will lose not only its liberty, but its security, as well. (*Applause.*)

Moderator Denny:

Thank you, Mr. Hazlitt. The distinguished Majority Leader of our House of Representatives has

been a legislator for the past thirty years, first, in the Massachusetts House of Representatives, then in the Massachusetts Senate. He's been a member of the House of Representatives in our National Congress since 1928. He was first Majority Leader of the House in 1940, and served all through the war until the Republicans became the majority two years ago. Last year, this past November when the Democrats were returned to power, he was re-elected to his post. We're happy to welcome to Town Meeting, Mr. John W. McCormack, Democrat of Massachusetts. Congressman McCormack. (Applause.)

Congressman McCormack:

I think it's very apparent to date, in the statements made by my friends, that Senator Taft and Mr. Hazlitt are not in agreement with one another. To me it appears that Senator Taft is in agreement with the statement made by Under Secretary Chapman and the statement that will be made by myself.

It is difficult for me to ascertain from the statement made by Mr. Hazlitt just what he means. He gives us a throwback to the German state and Bismarck. He overlooks the fact that that was a federated, strongly federated, state under the Kaiser, with a hereditary sovereign with vast powers, with a central government having reserved powers. Even in England, there's a parliamentary form of government, although a democ-

racy, while we in America enjoy a constitutional form of government with our dual system, with all powers not conferred upon the central government reserved by the several state governments. Those are very significant differences in my opinion. (Applause.)

I must take mild disagreement with Senator Taft in one observation he made that the maintenance of private schools, such as the Catholic, and the Lutheran, and the other schools of religious faiths, is a curb on personal liberty. To me, that is an extension of personal liberty. It shows complete personal liberty in relation to education and religion in America, so far as our education is concerned. (Applause.)

It is a matter of faith by the different religions that maintain such systems to educate the whole child, not from the secular angle alone, but from the religious angle as well.

Furthermore, the Oregon decision settled that fact. The State of Oregon passed a law, as you remember, stating that a parent couldn't send his child to any school but a public school, and the Supreme Court said that was an unwarranted interference in the right of a parent to decide where school his child shall attend.

So I think that, instead of being a curb, the right of religious faiths to maintain their school systems is consistent with a strong virile, personal liberty.

Now, the answer to the question

under consideration tonight is that, in this period, we have legislation for the general welfare and, instead of curbing it, it has strengthened personal liberty.

The General Welfare Clause of the Preamble of the Constitution is nothing new. It has been a part of the organic law since the first days of constitutional government in America. It should be apparent to all persons that Congressional legislation—or even state—by reason of any general welfare clause is different today or in recent years than it was thirty to fifty or more years ago.

The problems of the machine era with mass production and the trying and intense economic system that exists are entirely different from the problems of the economic system that existed from fifty to one hundred years ago.

In these days, the problems of even a government which is purely agricultural, or one purely industrial, are very trying. But where we have a great industrial and agricultural nation such as ours, the challenge is really one that goes to the imagination of people and legislators.

We must also bear in mind that government is created to serve the people, and, in order to serve the people, it must work. We must remember the first duty of government is justice to the people.

I might also observe that such legislation calls for different consideration and action in a nation of 145 million persons than in a

nation of several millions as in 1790, or even 50 to 75 millions before the era of intense industrialization took place.

For example, in the event of a business depression, a much larger percentage of our population in those days lived on the farms or off the soil than they do today.

To me, most of the general welfare legislation has been and, in the future, will be passed in response to the necessities arising out of our economic system. It relates to the basic problem of economic security, or to put it otherwise, economic insecurity. We will have to do it in order to bring about greater personal liberty, to meet, by proper legislation, the great problem that confronts all nations, and particularly democratic nations—the problems of too many people in the nation being faced with economic insecurity. (Applause.)

Moderator Denny:

Thank you, Mr. McCormack. Now gentlemen, I'm sure that our listeners will be grateful for a little clarification, on your part, of tonight's subject, so gentlemen will you join me up here around the microphone?

Perhaps Senator Taft will have a comment now. We haven't heard from you for a while, Senator.

Senator Taft: Well, I think I might correct one thing. I didn't say that Catholic schools were a limitation on liberty. I said that a public school system is a limitation

on liberty, and that the Catholics feel it so strongly that they won't send children to them, and they pay the expenses of their own children besides having to take taxes out of their own income to help support the public schools which they don't use. I think Mr. McCormack misunderstood my point.

I would like to ask him: Is he in favor of a system, of a bill, which proposes that free medical care be furnished by the United States Government to all people in the United States, even if they can afford to pay for it, out of taxes, pay-roll taxes, and other taxes collected by the Government?

Congressman McCormack: In response to the question, in 1935, I helped draft the Social Security Law—the present one. In a democracy you have to make compromises. Senator Taft knows that legislation goes through a severe screening of legislative committees in both branches of the Congress itself. In great progressive reforms, the end is a series of compromises, as we did in social security. Now we are considering an extension.

The Senator tries to put a spot question, so to speak, when he knows, as a legislator, that from his own experience the results are entirely different from that question by itself. My answer to his question is this: In modern society, 12 per cent of our families of America have a family income of \$1,000 a year, or less; 17 per cent

between \$1,000 and \$2,000; 21 per cent between \$2,000 and \$3,000. And 50 per cent of the family life of America involves 70,000,000 of our population. When serious illness visits such a family, they have a terrific problem confronting them, and I take the position that something constructive should be done. (Applause.)

Senator Taft: Mr. McCormack hasn't answered my question. (Applause.) I'm in favor of giving free medical care to those who can afford to pay for it, but I'm not in favor of giving it to 100 per cent of the population at a cost of five billion dollars from the collection of taxes. (Applause.) That's the distinction. We all have always admitted the principle of free medical care for those who can't pay for it, and relief, etc.

The question now is shall that be extended until the United States Government supplies free medical care, and if free medical care for everyone who can afford to pay for it, why not free food, free clothing, free housing? Then you have no liberty remaining. (Applause.)

Mr. Denny: Congressman, do you care to comment further?

Congressman McCormack: Yes. Of course, the Senator takes up something that is not legislation, nor the law rather. He knows from his own experience that when a bill gets through Congress, there are compromises made, I stated, as in the Social Security Act, but progress is made, and

progress is being made now. I'd like to ask the Senator, did you favor Social Security when it was first proposed? (Applause.)

Senator Taft: I suppose you mean by Social Security the Old Age Pension, if so, yes. But I don't think we got a very good system. I think it ought to be tremendously improved. It's very inequitable, I think, very inadequate, and we have now to extend it to many more people than it already covers

—if that's what you mean. I also favored Unemployment Compensation if that's part of what you call Social Security.

Congressman McCormack: Both good Democratic measures. (Applause.)

Moderator Denny: Mr. McCormack was off the mike when he said that. I don't know whether we all heard it or not, but he said, "Good Democratic measures." All right now, Mr. Hazlitt.

THE SPEAKERS' COLUMN

ROBERT ALPHONSO TAFT — Republican Senator from Ohio since 1939, Robert Taft is the son of William Howard Taft, 27th President of the United States. Robert Taft was born in Cincinnati in 1889 but lived at the White House during his father's term of office. He attended Taft School at Watertown, Connecticut; Yale University, where he received his B.A.; and Harvard, where he received his LL.B. He also has several honorary degrees.

Senator Taft began his practice of law in Cincinnati in 1913. From 1917 to 1919, he was assistant counsel of the U. S. Food Administration. From 1921 to 1926, he was a member of the Ohio House of Representatives, serving as Speaker in 1926. In 1931-32, he was a member of the Ohio Senate.

Senator Taft is a member of the Labor and Public Welfare Committees. He was co-author of the Taft-Hartley Act.

HENRY HAZLITT — Mr. Hazlitt is business columnist for *Newsweek* and author of the recent book *Will Dollars Save the World?* Born in Philadelphia, in 1894, he attended the College of the City of New York. From 1913 to 1916, he was a member of the staff of the *Wall Street Journal* and from 1916 to 1918, was on the financial staff of the *New York Evening Post*. For a while, he wrote the monthly and financial letter of the Mechanics and Metals National Bank. He has been financial editor of the *New York Evening Mail*, editorial writer for the *New York Herald* and *The Sun*, literary editor of *The Sun* and *The Nation*, editor of the *American Mercury*, and on the editorial staff of the *New York Times*.

During the World War, Mr. Hazlitt was in the Air Service of the U. S. Army. He is the author of several books including *Thinking as Science*, *The Anatomy of Criticism*, and *A New Constitution Now*.

JOHN W. McCORMACK — A Democrat from Massachusetts, Congressman McCormack is Majority Leader of the House of Representatives. Born in Boston in 1891, he received his education in the Boston public schools. Admitted to the Massachusetts bar in 1913, he began the practice of law in Boston.

In 1917-18, Congressman McCormack was a member of the Massachusetts Constitutional Convention. From 1920 until 1922, he was a member of the Massachusetts House of Representatives and, from 1923 to 1926, he was Democratic leader of the State Senate. Since 1927, he has been a member of the U. S. Congress.

OSCAR LITTLETON CHAPMAN — Mr. Chapman, Under Secretary of the Interior, was born in Omega, Virginia, in 1896. He attended Randolph-Macon Academy, the University of Denver, the University of New Mexico, and received his LL.B. from Westminster Law School (Denver). He also has LL.D. degree from Colorado State College of Education and Augustana College.

Mr. Chapman was assistant chief probation officer of the Juvenile Court in Denver from 1922 to 1924 and chief from 1924 to 1927. He was admitted to the Colorado bar in 1929. He was appointed Assistant Secretary of the Interior in May, 1933, and Under Secretary in March, 1946.

Mr. Hazlitt: Well, I'm glad that Congressman McCormack recognizes that we have a Constitution of limited federal powers. My point was precisely that the welfare state strains those powers. There's a certain thing about the general welfare in the Preamble of the Constitution, but Amendment 10 of the Bill of Rights says specifically, "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States are reserved to the States respectively, or to the people."

Now I'd like to put this question to Congressman McCormack: Does he think that the Congress or the President can pass any legislation they please that they think is in the interest of the general welfare?

Congressman McCormack: Of course, the answer to that is "No." The answer to that is very plain and the gentleman knew the answer when he asked the question. *(Laughter.)*

Mr. Hazlitt: I'm glad of that answer. Let's keep that on the record.

Mr. Denny: Thank you. Mr. Chapman, why are you so quiet back there?

Mr. Chapman: My colleague was doing too well. I didn't want to disturb him. *(Laughter.)* I would like to ask Senator Taft a question. Didn't you recently oppose federal aid to education and public housing legislation as socialism, and aren't you supporting these measures today while at the same time

continuing to oppose public health insurance as socialism? Which one is socialism and not the other?

Senator Taft: Well, in the first place, I've always been for public housing, confined as I say to the lower income groups of the population.

In the second place, I oppose federal aid to education because of the fact that education is something that is very well financed by the state. The states are spending three billion dollars, all state tax systems are primarily aimed at providing education, and nearly half the state revenues are spent for that purpose.

But in that debate, it came out very clearly, that while that was generally true, it was not true of many Southern States. It came out very clearly and it developed facts with which I had not been familiar, that in many Southern States, for instance, the colored children were getting about \$10 per child per year, worth of education.

Not only that, but it came out that those states were unable to provide it, making the same effort as other states. That changed my view of the situation, and I favored a federal aid to education bill which will, in effect, operate as an equalization fund, which we have in many states, to see that all of the school districts in the country get a minimum sound education for all the children in that state.

Now, you added one other step—housing, education—oh, yes, medical care. Of course, we have

admit that education is socialized. Certainly it's socialized. It's been socialized for 100 years in the United States, and I do believe it's one of those things that government has to do. But that doesn't mean that we can extend government service to food and clothing and medical care and housing and everything else for all of the people of the United States. Those are things that are so expensive that you will have to take all their income in taxes, practically, to pay for those things and you'll have a completely socialized state.

Certainly we have some socialism. The post office is socialized, but we can't go much further. In my opinion, it's all a question of degree as far as that's concerned. We can't go much further into many new services without imposing such a tremendous burden. We've already got up to nearly 30 per cent of the national income in taxes. We can't go much further without completely destroying the free enterprise system which provides the taxes which pay for these social welfare services.

Congressman McCormack: I'm amazed that Senator Taft in 1948 says that education is socialized.

Mr. Denny: This is 1949.

Congressman McCormack: Well, one year later—1949. One of the cornerstones, the necessities of personal liberty and democratic government is general widespread education. You cannot have democracy with 10 or 15 per cent of the people educated. You have to

have widespread education. In order to have a real democracy with a citizenry that can assume the responsibilities of exercising their rights, we have got a right in America to have widespread general education. It's essential to carry out and to preserve and to strengthen the very fundamentals of our government.

And one more observation. Senator Taft doesn't say that the public housing or the low-cost housing laws are socialistic, and I agree with him, but the Republican leadership in the House does.

Mr. Denny: All right, thank you. Now the members of our Washington audience are anxious to ask you some pertinent questions gentlemen, but before we turn to those, our listeners will be interested in the following message.

Announcer: From the U. S. Conference of Mayors in Washington, D. C., we are presenting the Nation's most popular radio forum, the 552d broadcast of America's Town Meeting of the Air. Our question is "How Can We Legislate for General Welfare Without Curbing Personal Liberty?" In just a moment, you will hear questions from the audience.

You may obtain a copy of tonight's discussion by writing for the Town Meeting Bulletin. Just send 10 cents to Town Hall, Box 782, New York 46, N. Y. Please note the new address. Please do not send stamps.

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or you may subscribe for eleven issues for one dollar.

Last Tuesday night, Mr. Denny made the most important announcement in the 14-year history of your Town Meeting. For three months this summer, we expect to take your Town Meeting to 14 capitals around the world. For the past ten years we have been visiting American cities. Now, in keeping with our responsibilities as a world power, we want to bring you the questions and reactions of peoples of other nations around the world.

We expect to have two native speakers and two Americans on each program which will be recorded and flown back to this country so that you may hear them over this great ABC network at this same time. At the close of the program tonight, Mr. Denny will tell you how you, as a Town Meeting listener, can participate in this Round the World Town Meeting—a demonstration of our democratic way of life.

Now for our question period here again is Mr. Denny, our Town Meeting Moderator.

QUESTIONS, PLEASE!

Mr. Denny: Thank you, we're going to begin our question period tonight with a comment by the distinguished guest of the U. S. Conference of Mayors, Senator Emil Vinck of Belgium, who is here as a special guest of this conference. Senator, may we have a comment from you on the discussion so far, or would you care to participate in it?

Mr. Vinck: Mr. Denny, ladies, and gentlemen. When I was a boy, a long time ago, in Belgium, the girls were admitted to work in the coal mines some 600 yards deep. The boys and the girls were not obliged to go to the school, and some people considered that was liberty. It was theoretic liberty, but now we have compulsory education, and boys and girls are no more permitted to go into the coal mines which is physically and morally bad. We consider that complete theoretical liberty is anarchy and that organized liberty is civilization. (Applause.)

Mr. Denny: Thank you, Senator Vinck. Now, there are a great many distinguished mayors in this audience here tonight. Sitting here beside the Belgian Senator is Mayor Kennelly of Chicago. I don't know whether he has a comment or not, but here is the Mayor of Pittsburgh who seems to have a question. Mr. David Lawrence. Mayor Lawrence?

Mayor Lawrence: Senator Taft, in your health bill you authorized

federal grants of 200 million dollars to the states to provide medical services for all persons who cannot pay the full costs of such services. If reduced to basic principles, aren't you really putting people on the dole by saying that only the needy may receive the benefits of your health legislation?

Senator Taft: I would say no. In fact, I think the entire distinction between socializing all services and not socializing them consists in limiting your services to those who can't afford to pay for them. The moment you extend the service to all the population, the moment you make government employees of all the people furnishing that service, you have socialized that service. But we have always recognized the obligation of any democratic state to take care of those who cannot take care of themselves. That to my mind is the entire distinction between what is socialism in any field and what is not socialism in a field. (Applause.)

Mr. Denny: Thank you, Senator. Now the question on the aisle,

Man: A question for Mr. Chapman. Do you think legislation will ever be able to provide economic freedom for all the American people?

Mr. Chapman: I should say that that is certainly a hope and a goal that we should all hope and work for. With the system working as I believe it can work, we certainly

must have faith that the American system can produce economic security for everybody.

Mr. Denny: Thank you. The gentleman over here on the left aisle.

Man: I want to ask Congressman McCormack a question. How are you, John?

Congressman McCormack: Well, how are you? By the way, that is Mayor D'Alesandro of Maryland.

Mr. Denny: Mayor of Maryland?

Mayor D'Alesandro: Mayor of Baltimore!

Congressman McCormack: Well, Mayor of Baltimore. He may be Governor in the near future. (Laughter.)

Mayor D'Alesandro: Congressman, must we not first clearly understand and define the term "personal liberty"? Is it not a term too often confused with "personal license"?

Congressman McCormack: The answer to that is, "Yes." To me, the basic problem is attacking economic insecurity to the extent that we can. To remove it completely is, of course, a superhuman task. But the problem today is on the economic field, and that's where communism prevails and that's where it makes its headway, where there is widespread poverty and distress. When we pass proper legislation that attacks economic insecurity, we strengthen the family life which is the basis of society and government itself and we strengthen personal liberty.

Mr. Denny: Thank you. I see another Mayor down here.

Man: I have a question for Mr. Hazlitt. My name is Joe Smith, Mayor from Oakland, California. I am a lawyer, and your associate, Mr. Taft, will agree with me when I say that the modern corporation is created as an entity separate and apart from the individual to relieve the individual of any personal liability or responsibility. How, then, can you persuade this artificial creation, created by law to get away from personal responsibility, to accept human responsibilities if not by human welfare legislation? (Applause.)

Mr. Hazlitt: I think the gentleman is confusing a purely legal concept and a purely legalistic concept with an economic concept. Corporations are, after all, made of men who have human responsibilities, and, if they act on them, they are just as human as anybody else. (Applause.)

Mr. Denny: Thank you. The gentleman over here, please.

Man: I address my question to Mr. Hazlitt.

Mr. Denny: Oh, I'm sorry, we want to take this gentleman over here first.

Man: Senator Taft. I am Mayor Vincent J. Murphy, Newark, New Jersey. You demand a needs test for medical insurance. Do you suggest a needs test for unemployment insurance or social security? If not, why the difference?

Senator Taft: No, I don't suggest a needs test for the cases in which

men have no income and have to be taken care of from the bottom up, if you choose. But it seems to me obvious that any man or family which can afford to pay for medical service ought to pay for it. (*Applause.*) They ought to have the freedom, if they want to take insurance, the insurance ought to be available. If they want to spread their cost over a number of years on the insurance principle, that insurance ought to be available for them. But government compulsory insurance is not insurance. It's not related to the services rendered. It is merely a tax out of which the Government proceeds to give free service to all the people who pay \$1 towards that service. It seems to me that, in any extension of the services, you should take the means test. Unemployment compensation is essentially—there may be people who have outside income—but by definition they have no current income paid them. It seems to me, therefore, they fall within the general principles which I have laid down.

Mr. Denny: Thank you. Now the gentleman over there has a question. Let's have it.

Man: Mr. Hazlitt. I am a student at the American University. Unemployment is growing. Is it economic to insure the health and welfare of these agents of production until our free economy can find a place for them?

Mr. Hazlitt: Well, I don't know whether you understood my position. I didn't oppose Social Se-

curity as such, what I did say was that we have to ask certain fundamental questions about it. First, is it voluntary and noncompulsory; and second, how much is it going to cost our economy? That is a question that we haven't asked.

In France, today, the social security paid by employers in the metal trades equals 36 per cent above pay rolls, and in the electrical industry, 47 per cent above pay rolls. What we have got to ask ourselves is how, after we adopt such a device, we can keep it from running away with us and undermining the private enterprise system which makes it possible. (*Applause.*)

Mr. Denny: Thank you. The gentleman on the aisle.

Man: Question for Under Secretary Chapman. The name is Glen Allen, Jr., Vice Mayor of Kalamazoo, Michigan. Wouldn't personal liberties be curbed less, if Congress would surrender some of its broad tax powers to local governments and states, and allow them to handle the problems at grass-roots levels? (*Applause.*)

Mr. Chapman: No. My answer to that would be, "No." I think the Federal Government has to retain its taxing power as it now has it. I think it's important that you must have some national central organization to handle a widespread problem as this is.

When you think of the corporation structure of this country and you think of its mechanism extending into every state in the

Union, it's impossible to think of them as drawing state lines in a corporation, then why should you draw a state line from the Federal Government to have some control and concept of relationship to the corporation. And why should the Federal Government give up the taxing power and its right to tax where it is proper and needed for the benefit of all the people?

As my colleague, Congressman McCormack, has said, the government is for the services of the people. That means all the people. Even when the RFC was created and spent 16 billion dollars for the business in this country and has loaned them money, it's just as much the business of the people and the government to help those people at the bottom so that they may come up.

Mr. Denny: Thank you. I'm very glad to see the lady standing up now—the distinguished Mayor of Portland, Mrs. Lee.

Lady: I'd like to ask a question of Senator Taft. Senator, you have given a great deal of study and thought to housing, and it seems to me that the chief obstacle toward achieving more results in housing has been the argument that it interfered with private enterprise. My question is this: Could any plan be devised whereby government could make it possible for private enterprise to meet the housing needs of the low-income families?

Senator Taft: Well, we've made

all kinds of studies of that problem and I don't think we found any system better than that proposed in the general public housing bill. There are various alternatives. There is the general problem of providing it through certificates—relief certificates, rent certificates—which I don't think would get any houses built or eliminate any slums. There are other methods but I haven't been able to find anything better than the direct government subsidy of housing for low-income families.

Mr. Denny: Thank you, Senator Taft. I see the distinguished Mayor of New Orleans, who was our host when we originated the program down there, and a great many others. About 100 hands are up here in the ballroom this evening but I'm sorry, our time is up. We just have time enough for the summaries. While our speakers prepare their summaries, here is a special message of interest to you.

Announcer: If you are a banker, an automobile dealer, a department store executive, an industrialist, or operate any type of retail store, you will be interested in knowing that "America's Town Meeting" is a co-operative program. By that we mean: local business firms throughout the country can sponsor this program, at surprisingly low cost, on their own ABC station. In fact, Town Meeting is available for sponsorship on the station to which you are now listening.

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Now for the summaries of tonight's discussion, here is Mr. Denny.

Mr. Denny: Here first is Congressman McCormack.

Congressman McCormack: In conclusion, I appreciate the invitation and the opportunity to participate in this splendid program, and I want to express my thanks to the sponsors. I thoroughly respect the views of my fellow participants, and in disagreement, where there was a disagreement, I want Mr. Hazlitt to understand that I completely and thoroughly respect his views, and I know he respects my views. It is very apparent as I said before, that

Senator Taft is in agreement, substantially, with Under Secretary Chapman and myself. I appreciate very much the fine reception given to all of us by this splendid audience. (*Applause.*)

Mr. Denny: Thank you. Now a final word by Mr. Hazlitt. Step up, Mr. Hazlitt.

Mr. Hazlitt: With all great respect for Mr. McCormack, I still repeat that the welfare state is a paternalistic state. It treats its citizens like wards. It seeks to make them, not self-reliant, but dependent. It promises them security if they will consent to give up "just a little freedom." But wherever men have yielded to this temptation, they have lost both their freedom and their security. For the security of the welfare state is provided by the taxes that can be wrung from the productive, and when such taxes are excessive, they destroy the production upon which both freedom and security depend. (*Applause.*)

Mr. Denny: Thank you, Mr. Hazlitt. And now, Secretary Chapman.

Secretary Chapman: The personal liberties that would be impaired by an extension of general welfare legislation are the liberties of a small minority to interfere with the rights of labor, to promote monopoly and stifle small business, to perpetuate an economy of scarcity and high industrial prices, and to foster some unemployment, and to accumulate excessive profits.

I assert that these personal liberties of a minority must be curbed to protect the personal liberties of the majority of the people by the extension of general welfare legislation. (*Applause.*)

Mr. Denny: Thank you, Secretary Chapman. And now a final word from Senator Taft.

Senator Taft: If we permit the Government — particularly the Federal Government — to take over all welfare services, furnish them free to all the people of this country, we will destroy the personal liberty of these people.

If we adopt a national system by which, at huge cost, the Government attempts to give free medical service to all the people, if we adopt a system in which they give free housing to practically all the people, then that will defeat our own purpose and will limit the people's ability to spend the money which they earn by the sweat of their brow because the Government will insist that you give all your money, finally, to the Government and permit the Government to decide what services and what things you shall get for your money. (*Applause.*)

Mr. Denny: Thank you, Senator Taft, Oscar Chapman, Congressman McCormack, and Henry Hazlitt. Copies of tonight's program may be obtained by sending 10 cents to Town Hall, Box 782, New York 46.

Next week, from Town Hall, New York, we're going to try to give you an answer to a question

that's bothering a great many Americans — "What Does Democracy Really Mean?" Four prize-winning high school students who have been selected in a nationwide talent search which Town Hall has conducted in coöperation with the high school news magazine, *Our Times*, will participate in this discussion with the Assistant Secretary of State, Mr. George V. Allen, whose task it is to interpret our American democracy to the world through "The Voice of America."

The winning high school speakers are Judy Krueger, of Bridge-
ton, New Jersey; Dante Germino of Durham, North Carolina; Roger Kvam of Stewartville, Minnesota; and Irving Yoskowitz of the Bronx, New York.

Now, at the opening of tonight's program, I mentioned our plan to take your Town Meeting around the world during July, August and September of this year. As most of you know, our local sponsors will furnish the program, but we want to go to these countries in the name of the American people. We can do this only if we have your support. Therefore, we are inviting you to send your Town Meeting around the world by contributing your dollars to democracy.

Now here's our plan. We will make attractive scrolls containing the names of all the towns and all the people in those towns who send one dollar or more to Town Hall for Round the World Town Meeting. We will present one of these

scrolls to each of the mayors in each of the world capitals we visit. So tell your friends and neighbors to send in their dollars for democracy and be sure to send in your own. These scrolls will reflect your belief and support of the Town Meeting idea in the fourteen nations of the world whose people look to America for leadership in this hour of crisis. If you haven't already sent in your contribution, we hope you'll do so tonight. For each dollar you give, you can give the name of an additional person.

Remember, this is not a Pyramid Club (*laughter*) for in case you win, everybody wins. You will

be sending your staff of foreign correspondents around the world in your name. We'll report to you each week with fourteen stirring and important Town Meetings. When we return, we'll prepare and mail to each of you a special souvenir of our Round the World Town Meeting. Please note the new address—Town Hall, Box 782, New York 46, New York.

Each contribution will be acknowledged by official receipt, and no one is authorized to solicit in our behalf. Plan to be with us next week and every Tuesday at the sound of the crier's bell. (*Applause.*)



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